

Appendix B

Smart Growth Partners of Western North Carolina

Interview with Jackson Ward, Developer of the Gerber Urban Village

SGP - Your first proposal for the Gerber site was a fairly standard Super Wal-Mart. From a developer's perspective, what are the advantages of this type of development?

JW - With regard to the proposed Wal-Mart development we felt we were providing what the marketplace was demanding. The existing Wal-Mart store was experiencing strong annual growth in its sales volume. This growth got to the point where the physical design of the existing store was not sufficient to sustain this type of growth. The shoppers, which are the market, continued to support the store and more importantly the type and nature of the store, so we felt that it was appropriate for the immediate marketplace. From the developer's point of view, the immediate advantage of this type of development was that we were dealing with a financially viable tenant and as such our financial risk was minimal.

In the end, this was a major driving point in addition to the fact that it was a here-and-now

development rather than a project that was built-out over a number of years.

SGP - After Asheville City Council voted against the Super Wal-Mart proposal, you submitted a second proposal for a pedestrian-centered, mixed-use, urban village. Again, from the point of view of a developer, what are the advantages of this more complex type of development?

JW - With regard to the project which is planned now, the advantages include a project which is more openly acceptable to the community. The project potentially offers us the opportunity to increase the city's tax base beyond what the Wal-Mart would have provided. Obviously, this type of project offers a higher profit possibility, however, with this opportunity there is a higher risk quotient. We believe that the proposed project is better for the community and it offers the developer the opportunity to produce a project which is more aesthetically pleasing and a more enjoyable place to visit. To produce a quality project that everyone can point to as an example of quality development is a major benefit and accomplishment for any developer.

SGP - From a smart growth perspective, you've gone from the worst — a single big box in the middle of a sea of asphalt — to maybe the best — a pedestrian-centered high quality urban

village environment. How did you get from one extreme to the other?

JW - We went from one extreme to another by listening to the market and the community. We believe that there is a place for the Wal-Mart in the market and we also believe that there is a place in the market for the type of mixed-use project we have proposed. More specifically, we are doing mixed-use projects in the Florida market and when we studied the Gerber location we felt that this type of development would also be appropriate for this site as well. As time has gone by, we have become a much larger advocate for this type of development and less of a supporter of the big-box type development. We understand the concerns of the small shop owner with regard to the Wal-Mart intrusion and appreciate the quality of life these smaller shops bring to the community. While we appreciate the big-box concept we question if this is best from a community stand point.

SGP - At the Wal-Mart hearing, more than 200 people showed up to oppose the proposal. While for the urban village proposal, not a single person showed up to speak against it and several actually spoke in favor of it. Given this disparity in public opinion, why not go the urban village route in the first place?

JW - The urban village is a much riskier proposition from a financial stand point. It requires more capital, more time, and a larger appetite for risk.

This is the simple answer and the truth. Wal-Mart was there with the demand and our risk was low. Now we are faced with a project that has higher risk. The community has stated that this is the type of project it wants. Now we are hoping that when we proceed with this development that the community will back up demand and truly support this project both from a demand and use stand point.

SGP - This isn't the first urban village style of development that you've done, can you tell us about some of your other projects and how you became interested in the urban village model?

JW - Our experience came about as a result of dealing with smaller parcels of land in highly dense markets. This type of development has been driven by the lack of viable land and the financial cost for such land. This coupled with the fact that most municipalities are now incorporating "new urbanism" design requirements in their codes have led developers to rethink how their projects are designed. We currently have two similar projects underway in South Florida with contain residential, retail and office all of which are integrated together. Both of these projects are significant financial undertakings each in excess of

\$100,000,000 and both requiring a significant investment in time measured in years as opposed to months. We can tell you that these projects have been met with tremendous market demand and we are hopeful that our Gerber project will experience the same demand and acceptance.

SGP - Can you tell us a little bit about the property valuations of your big box proposal versus the urban village proposal? In other words, how much will the urban village add to Asheville's property tax base when completed and how much would the Super Wal-Mart have added?

JW - While we can not estimate the exact tax base numbers we can tell you the development cost numbers. The Wal-Mart costs were going to be in the neighborhood of \$20,000,000 as compared to the new project which is estimated to cost approximately \$60,000,000.

SGP - Is there anything else you would like to add?

JW - As we have previously stated before, we were disappointed with the outcome of the Wal-Mart situation at the time it occurred. However, in retrospect we are pleased with where we are now.

This situation is due to an effort by all parties

involved to try and reach a solution for the subject property that everyone could be happy with.

Obviously, we cannot say enough about the City of Asheville's planning staff who were instrumental in reaching a resolution to this matter. We deal with many municipalities in the southeastern United States and we can tell you that you have leaders within that department that listen to not only what their dreams and wishes are, but also to the market realities and what developers can and can't accomplish. We are working very hard with John Spake, an Asheville native, to make sure that everyone's vision is realized with this development and the South Asheville marketplace in general.

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